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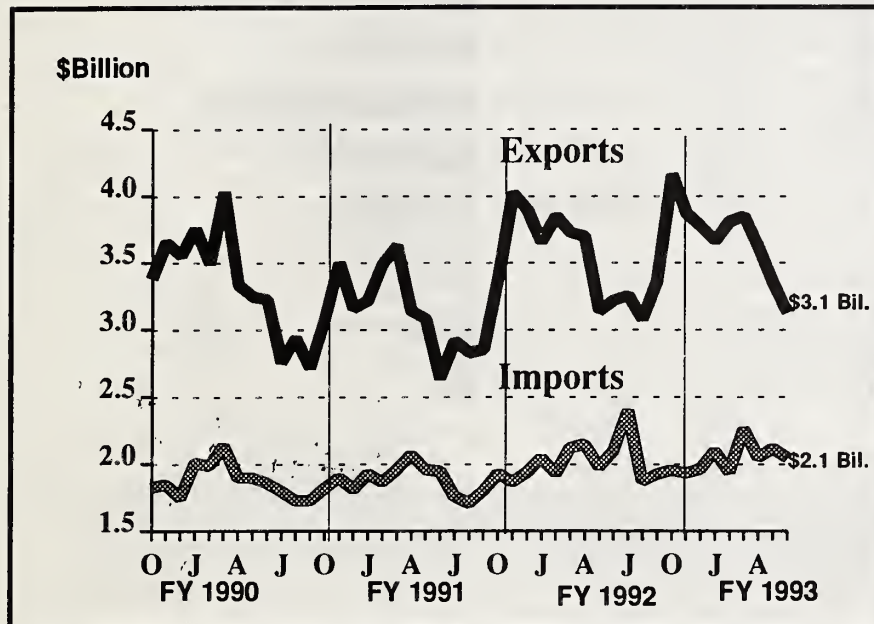
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# AGRICULTURAL TRADE HIGHLIGHTS

## June Exports Drop 3 Percent

Lower Corn and Cotton Exports Offset Consumer Food Gains



June trade statistics released on August 19 by the Commerce Department placed the value of U.S. agricultural exports at \$3.1 billion, down 3 percent from the same month last year and down 7 percent from May's level. Compared to year ago levels, higher shipments of wheat, rice, soybeans, wheat flour and consumer foods were offset by declines in coarse grains, cotton, soybean meal, soybean oil, and feeds and fodders. Declines in coarse grain shipments to the Former Soviet Union was the largest factor in June's export decline.

June's shipments bring U.S. exports during the first 9 months of fiscal 1993 to \$33.2 billion, up 2 percent from the same period last year. Exports of consumer-oriented products continue to outpace levels during the previous year, while exports of bulk products remain unchanged and intermediate shipments declined slightly.

At \$1.2 billion, U.S. exports of bulk commodities in June were down 6 per-

cent from the same month last year. Double digit decreases in shipments of coarse grains and cotton offset increases in wheat, rice and soybeans. June's performance brought bulk commodity exports for the first 9 months of fiscal 1993 to \$15.4 billion, unchanged from the same period in fiscal 1992.

U.S. exports of intermediate products reached \$631 million in June, off 11 percent from shipments during the previous June. Increased exports of wheat flour, animal fats and planting seeds were offset by double digit declines in soybean meal, vegetable oils, feeds and fodders, and live animals. June's performance brought intermediate product exports for the first 9 months of fiscal 1993 to \$7 billion, down 1 percent from the same period in fiscal 1992.

U.S. exports of consumer-oriented products continued to rise. Shipments reached \$1.3 billion in June, a 6 percent increase over the same month last year. Exports rose in most categories

but double digit increases were registered in exports of fresh vegetables, red meat, pet foods, snack foods, breakfast foods and tree nuts. These increases offset declines in dairy products, fresh fruit, juices and nursery products. June's performance brought consumer food exports for the first 9 months of fiscal 1993 to \$10.9 billion, up \$772 million from the same period in fiscal 1992. Fiscal 1993 export of high-value consumer food products now seem well on its way to registering its seventh record in as many years.

Overall, export performance was up in 5 of the top 10 U.S. agricultural markets in June compared with the same month last year. There were double digit increases in shipments to Mexico, Taiwan, Hong Kong and Egypt. Shipments to Japan were unchanged, while sales declined to the Former Soviet Union (which accounted for nearly all of the \$92 million drop of exports in June), the EC, South Korea and the Philippines.

June agricultural imports reached \$2 billion, down 3 percent from a year ago. The fiscal year-to-date agricultural trade surplus totals \$14.4 billion, roughly unchanged from the same 9-month period last year

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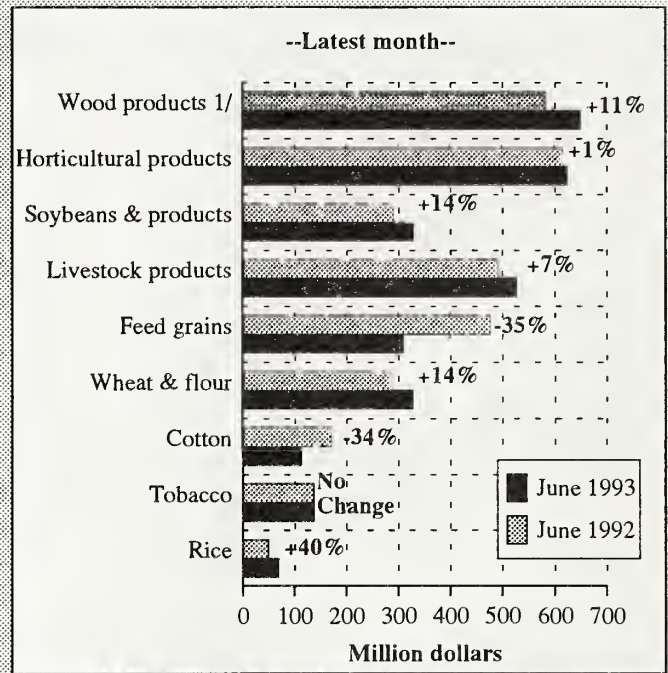
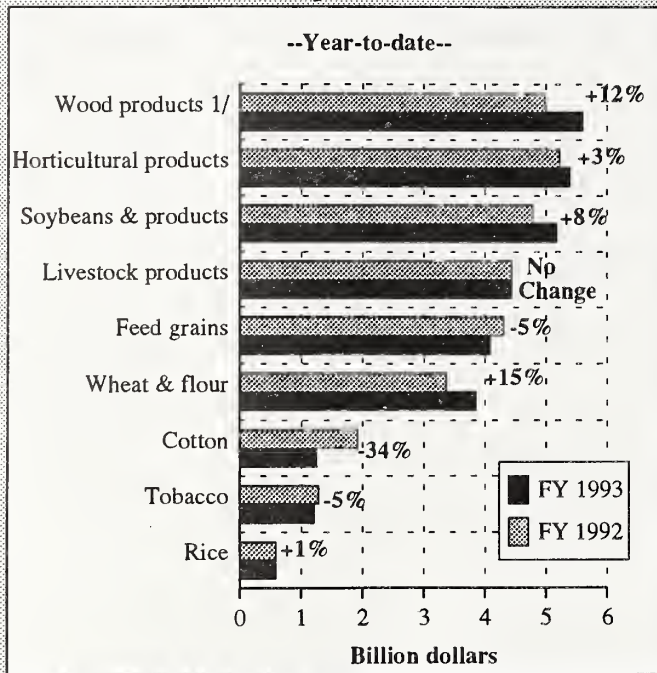
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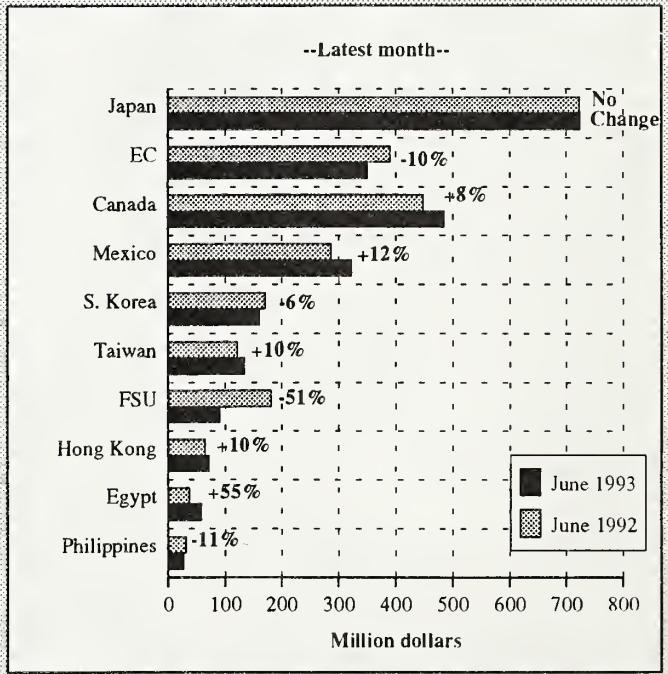
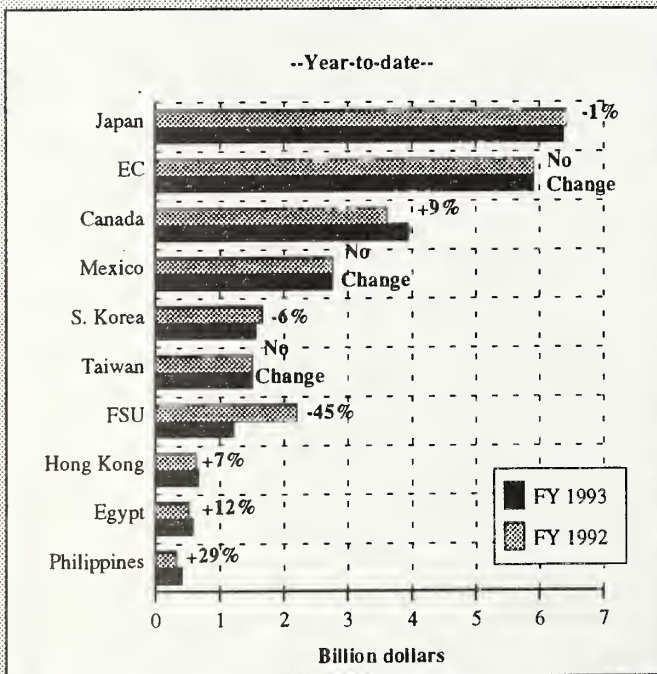
# U.S. Agricultural Export Summaries

## October-June and Latest Month Comparisons

### Product Summary



### Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.  
1/ Not included in agricultural totals.



# Consumer Food Highlights

*In June, U.S. consumer food exports were up six percent from the same month a year earlier. Higher shipments of red meats, snack foods, tree nuts, and pet foods accounted for most of the gain. This boosted sales for the first half of 1993 to more than \$7 billion, up 6 percent from last year.*

In June, exports of chilled/frozen red meats rose 17 percent from year-earlier levels to \$306 million. Gains were greatest for boneless beef and veal cuts. Current year-to-date exports remain unchanged from last year at \$1.5 billion. Sales to Japan were ahead \$105 million due to lower tariffs on beef and on-going structural changes in the meat trade. Beef and pork exports to Mexico were down \$61 million, mainly due to new beef tariffs and higher U.S. hog prices. Although sales to South Korea were off 37 percent, they are expected to rise in successive months due to new agreements negotiated in July.

At \$172 million in June, fresh fruit exports were 12 percent less than year-earlier levels. Year-to-date sales were \$813 million, or ten percent less than the same period last year. Although citrus exports, which make up nearly half of all fresh fruit shipments, strengthened somewhat in June, they are still off ten percent this year. Deciduous fruit exports, which represent nearly 40 percent of all fruit sales were off 11 percent. The world apple glut continues to depress U.S. apple and pear exports. In the United Kingdom, rising consumer preferences for bananas is affecting sales of U.S. apples, which are down 47 percent. The bright spot is Mexico, where fruit shipments are up 46 percent in the first half of 1993.

Exports of processed fruits and vegetables rose three percent in June from year-earlier levels to \$130 million. During the first five months of 1993, the record-setting pace of sales to Canada boosted exports to \$772 million or five percent higher than the same period last year. Exports of processed vegetables make up 64 percent of the total, and are running eight percent ahead of 1992 levels. Within this category, canned vegetable sales

were up 11 percent at \$273 million. Frozen french fries and canned corn recorded the largest gains, up \$6 million and \$11 million, respectively.

U.S. snack food exports continued double-digit growth with a 16 percent gain to \$71 million in June. Year-to-date 1993 sales total \$451 million, up 23 percent from the same period last year. In June, salty snack shipments nearly doubled with Pacific Rim markets, led by Taiwan and Australia, accounting for most of the gain. Year-to-date sales now total \$120 million, up 20 percent from last year. Sales of bakery products, notably frozen pastries, were also up in June, boosting year-to-date shipments 18 percent to \$128 million.

In June, edible tree nuts shipments totaling \$51 million were 15 percent higher than year-earlier shipments. For the first half of 1993, sales were \$367 million or one percent higher than the same period last year. After lower shipments earlier this year, tree nut sales in 1993 now match last year's record-setting pace. The combination of higher U.S. almond prices, a large 1992 Spanish almond crop, and a decline in the value of Spanish pesetas led to a 76 percent drop in shipments to Spain. Conversely, a stronger German mark may have influenced higher tree nut sales to Germany.

Dairy product exports were down 15 percent to \$57 million in June from year-earlier levels, with dried whole milk accounting for most of the decline. However, shipments during the first half of 1993 total \$397 million, up 14 percent from last year. Exports of essential dairy products, a group which has performed well in recent years, were up due mainly to government-assisted credit sales and the Dairy Export Incentive Program. In

particular, dried whole milk and butter sales have tripled so far this year. Shipments of yogurt, ice cream, cheese and other consumer-ready dairy preparations, which together comprise one-third of dairy product sales, fell six percent.

Fruit and vegetable juice exports dropped 14 percent to \$44 million in June, due mainly to lower shipments of citrus concentrates. Year-to-date juice exports now total \$246 million, down three percent from last year. Sales of orange juice concentrate, the largest export item, remained roughly unchanged from last year's value; however, sales volume is up 14 percent. Non-citrus juice exports continue to rise. Sales growth is led by apple juice concentrate, up 34 percent to \$25 million, and grape juice concentrate, up 14 percent to \$23 million.

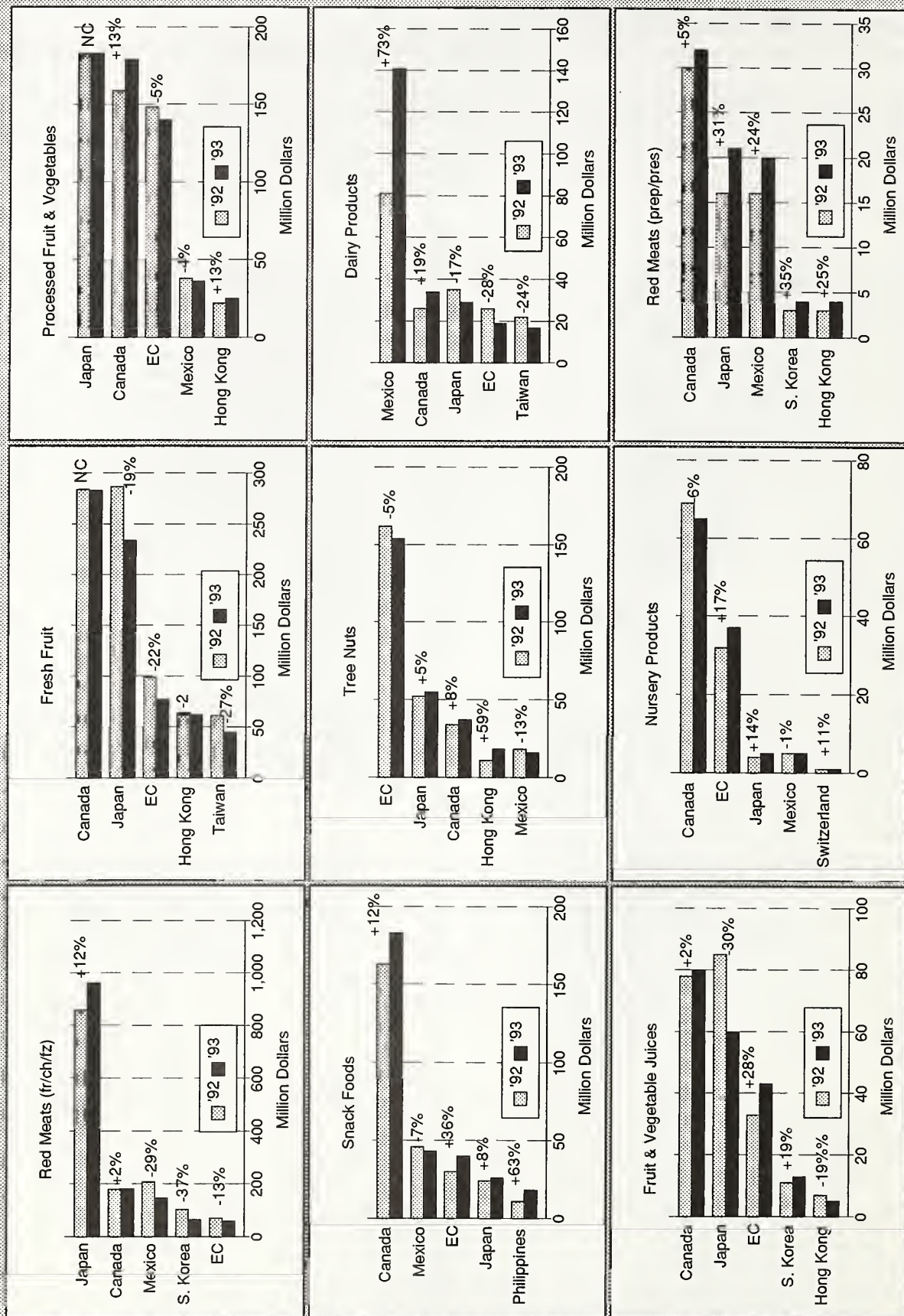
In June, nursery product exports were down five percent to \$12 million. During the first half of 1993, higher sales to the EC more than offset lower sales to Canada to boost total sales two percent to \$120 million. Cut foliage and fresh cut flowers are the strongest performers this year, with sales up 18 and 23 percent to \$33 million and \$14 million, respectively. Germany and the Netherlands are by far the two largest markets for cut foliage, and 85 percent of U.S. sales to the Netherlands are re-exported as greenery in value-added "Dutch bouquets." Canada is the major purchaser of U.S. fresh cut flowers.

Exports of prepared/preserved red meats jumped 34 percent to \$19 million in June, raising year-to-date sales to \$95 million, up 16 percent from last year. Sausage and bologna sales accounted for most of the gain in June, with particularly strong sales to Mexico and Japan. So far this year, sausage and bologna exports are up 34 percent to \$43 million. Salted and smoked dried beef (up 57 percent to \$7 million), and prepared beef entrees (up 30 percent to \$5 million) also posted strong sales gains in the first half of 1993.



# Top Five Markets for Selected U.S. Consumer Foods

## January through June Comparisons



Note: Percentages represent the change from 1992 to 1993.



# Country Spotlight: Netherlands



**U**.S. agricultural exports to the Netherlands totaled \$1.8 billion in 1992, making it the United States' sixth largest market. U.S. shipments of wood products and seafood added another \$93 million and \$23 million in sales, respectively. After Belgium, Germany and France, the United States is the fourth largest supplier to the Netherlands and by far the largest non-EC supplier. The Netherlands is the major transshipment center for locations further inland on the continent, so not all of these shipments are consumed by the Dutch.

In recent years, U.S. consumer food sales to the Netherlands have risen faster than sales of bulk and intermediate products. Some of the most successful U.S. consumer foods are those which are not produced in Europe or which offer higher quality than local products. These include such items as almonds, raisins, prunes, grapefruit, mangoes, fruit juices, beef, lobster and cut foliage. However, other U.S. products have achieved notable sales growth by offering something "extra" to consumers. These products are typically those either associated with a healthful and active lifestyle, considered a specialty gourmet item or provide added convenience. There are even small but growing niche markets for products offering unique regional food themes.

Although sales are on the rise, U.S. suppliers of consumer foods face considerable obstacles in the Dutch and larger EC market. European food industries are innovative and are increasingly becoming dominated by a few large European and U.S. multina-

tionals. Mergers and acquisitions also continue at the retail level, which may place small to medium-size companies with smaller promotion budgets at a disadvantage. Furthermore, high import duties and transportation costs make U.S.-origin products less price competitive and many EC countries have some of the world's most restrictive foodlaw and labeling requirements.

## **U.S. Bulk and Intermediate Sales Decline**

During the 1970s, three-fourths of U.S. agricultural shipments to the Netherlands were bulk commodities, primarily soybeans, corn and wheat. Another 20 percent of sales consisted of intermediate products, mainly animal feeds and soybean meal. In 1980, U.S. exports of agricultural products reached a record \$3.4 billion. However, EC production and import policies eliminated much of this trade during the 1980s. By the early-1990s, shipments of corn, wheat and soybean meal virtually ceased, soybeans fell to half of their 1980 record of \$1.5 billion, and animal feeds fell to 60 percent of their 1986 record of \$690 million.

Today, bulk commodities account for about half of total U.S. agricultural exports, and intermediate products make up another third. Not all of these products are consumed locally. Re-exports run as high as 45 and 75 percent for corn gluten feed and citrus pulp pellets, while the figures for soybeans and rice typically average one-third and one-quarter of total volume, respectively.

## **Consumer Food Sales at Record High**

Although U.S. bulk and intermediate exports have fallen sharply, U.S. consumer foods are enjoying considerable success. Since 1986, U.S. consumer food sales rose on average 11 percent each year to reach a record \$232 million (or \$255 million including seafood) in 1992. The amount re-ex-

ported varies widely. Currently, for example, 85 percent of U.S. cut foliage is re-exported (mainly in "Dutch bouquets") while the figure is only 10-15 percent for raisins. In 1992, five product groups--tree nuts, processed fruits and vegetables, fresh fruit, ornamental plants and seafood--accounted for nearly 70 percent of all U.S. consumer food exports to the Netherlands.

With sales of \$62.1 million in 1992, tree nuts are by far the largest U.S. consumer foods group. Shipments nearly doubled since 1986, and almonds and walnuts account for 90 percent of the trade. Exports of processed fruits and vegetables also doubled since 1986, with raisins, prunes, sweet corn and dried onions accounting for two-thirds of total sales. Fresh fruit is the third largest group with sales of \$30.1 million in 1992. Grapefruit alone accounted for half of the sales, but mangoes and apples are also important. At \$23.2 million in 1992, nursery products is the fourth largest group, with cut foliage accounting for 75 percent of the business. Seafood exports reached \$22.6 million in 1992. Salmon made up 60 percent of sales, but lobster, mollusks and squid accounted for an additional 15 percent.

U.S. exports of consumer foods in other product groups have also achieved strong sales growth since 1986. Those with 1992 sales of more than \$4 million were ice cream (\$13.4 million), pet foods (\$9.8 million), horse meat (\$7.8 million), frozen chicken cuts (\$5.6 million) and wine (\$4.6 million). Red meats, both frozen and prepared, were the only two groups to record losses. With combined sales reaching \$35.1 million in 1987, sales have now fallen to about \$13 million. Most of the loss resulted from the EC's decision to ban all beef treated with certain growth hormones.

## **Changing Consumer Profiles Create New Opportunities**

On-going changes in consumer demographics, lifestyles and food preferences are creating new sales opportu-



## ....Netherlands

nities for consumer foods. For example, there is a demand for greater convenience in shopping and meal preparation. With just over 52 percent of working-age women employed and the percent of households with two or more incomes at 28 percent and projected to rise further, there is a growing demand for convenience and more household income to pay for it. This creates opportunities for frozen and microwave foods, snack foods, bakery products and other ready-to-eat prepared foods.

Certain U.S. convenience foods, particularly snack foods, are quite successful in both the Dutch and larger EC markets. U.S. almond sales to the Netherlands reached 12,400 tons valued at \$44.7 million in 1992, little of which was re-exported. According to Blue Diamond, more than 300 tons were directly sold to Dutch consumers as ready-to-eat snack almonds--the remainder were used in confectioneries and bakery foods. The decision by KLM Airlines to feature U.S. snack almonds on their routes helped introduce flavored almonds to customers around Europe. U.S. walnut exports, 65 percent of which were re-exported, were valued at \$12 million in 1992. The other best selling U.S. snack foods are popcorn and corn-based chips.

Canned and frozen fruits and vegetables also offer convenience in the home and the food service industry. With annual sales now of \$3 to \$6 million, U.S. canned corn is the top consistent performer. Although competition with local production limits U.S. sales on all but a few items, brief opportunities arise during poor crop years in the EC. In recent years, for example, frozen blueberries, canned citrus and tomato paste, citrus peel and dried onion have each surpassed the \$1 million mark. Even though the Dutch generally prefer fresh vegetables, it appears a good opportunity exists for U.S. frozen mixed vegetables based on the innovative track record

of U.S. processors and their activity in overseas markets.

The need for greater convenience also translates into a demand for smaller pack sizes. The Dutch make 3-4 trips a week to the supermarket--40 percent of all shoppers use bicycles while another quarter walk. Furthermore, the popularity of single-serve portions should grow as household size shrinks. By 2000, the percent of all households made up of 1-2 persons is expected to rise 63 to 67 percent. U.S. suppliers, however, should know that Dutch consumers will balance their desire for smaller pack sizes and single-serve portions with their concerns about protecting the environment.

In recent surveys conducted by the Dutch Central Bureau for Food Trade (CBL), about half of all shoppers felt less packaging materials should be used, and that materials should be should be taken back by stores to be reused or recycled. U.S. suppliers can gain a marketing advantage in the Netherlands and throughout most of Europe by redesigning their packaging to use less materials that are also regarded as "environmentally-friendly." Environmental awareness continues to rise and these concerns will be reflected in future legislation.

In addition to convenience and environmental aspects that influence buying behavior, Dutch shoppers also increasingly demand healthful foods. With an aging population and growing health consciousness among young people, the demand for low-fat, high-nutrition and dietary foods is on the rise. A recent CBL survey indicated one-third of all Dutch shoppers want a better choice of foods free of preservatives and artificial flavorings or colorings. Despite considerable competition, some U.S. health foods are quite successful on the Dutch market. Last year, sales of California raisins and prunes totaled \$7 million each. The promotion efforts of the California prune industry are raising sales of pitted snack prunes throughout most of the EC. Fresh Florida grapefruit and

frozen grapefruit juice concentrate are also well positioned in the Dutch market with 1992 sales reaching \$15 and \$2 million, respectively. Domestic EC supplies limit U.S. sales of other fruit juices, but U.S. companies such as Tropicana are expected to do well once the premium-quality market for single-strength (fresh) pasteurized juice opens up.

Although the Dutch are known as price-conscious shoppers, the demand for certain luxury foods offers exceptional sales opportunities. U.S. lobster exports rose from \$200,000 in 1986 to \$2.3 million in 1992. Two-thirds of these sales are air-freighted live from Maine, with most ending up in fine Dutch restaurants. The story of Haagen Dazs ice cream highlights how product innovation coupled with a good marketing strategy can capture a niche market. Haagen Dazs began its European retail operations in 1991. By 1992, this New Jersey-based company was largely responsible for boosting U.S. ice cream sales from \$1 million to \$13.4 million. With a commitment to high quality, it largely created the European super-premium ice cream market. Its Paris-based marketing staff indicate that super-premium must be made from fresh cream with a minimum fat content of 15-18 percent, and contain natural flavorings and chunky bits of nuts, fruit and confectioneries. Last March, Haagen Dazs opened a production plant in France to service the EC market. As a result, U.S. ice cream exports are down 30 percent for the first half of 1993 compared to the same period last year. Frozen yoghurt is expected to become the next hottest seller in the European ice cream market.

Despite strong competition from EC suppliers, market opportunities for U.S. consumer foods will continue to arise in the Netherlands. U.S. firms offering products that meet Dutch tastes and preferences will see the greatest sales response.

*For more information, contact Ernest Carter at (202) 720-2922.*



# U.S. Agricultural Exports by Commodity to the NETHERLANDS

Calendar Years 1988 to 1992 and Year-to-Date Comparisons  
(thousands of dollars)

Product	1988	1989	1990	1991	1992	January-June 1992	January-June 1993	% Chg
<b>BULK COMMODITY TOTAL</b>	1,039,995	842,342	740,076	815,383	987,120	477,464	489,764	2.6
Wheat	1,683	15	241	1,490	31	13	7	-46.2
Coarse Grains	5,939	4,186	8,909	6,572	898	826	2,722	229.5
Rice	16,132	17,891	18,533	29,195 *	20,361	8,537	13,558	58.8
Soybeans	867,382	645,028	519,163	591,966	737,907	341,010	370,834	8.7
Cotton	2,984	2,790	5,065	4,191	4,190	1,732	512	-70.4
Tobacco	102,817	109,544	131,918	125,124	149,772 *	93,620	70,873	-24.3
Pulses	6,260	6,435	7,443	8,753	5,516	3,662	1,797	-50.9
Peanuts	35,349	46,471	44,177	37,201	60,548	25,374	26,296	3.6
Other Bulk Commodities	1,449	9,981	4,627	10,891	7,897	2,691	3,165	17.6
<b>INTERMEDIATE TOTAL</b>	833,909	702,799	662,577	662,668	623,259	329,517	304,269	-7.7
Wheat Flour	211	142	82	25	33	5	34	580.0
Soybean Meal	118,635	50,191	23,808	36,982	40,708	19,691	28,582	45.2
Soybean Oil	4	319	0	17	0	0	0	
Other Vegetable Oils	24,790	20,558	38,443	53,238	38,049	20,597	14,137	-31.4
Feeds & Fodders (Excl. Pet Foods)	572,058	512,030	452,486	398,582	387,445	221,209	186,702	-15.6
Live Animals	3,903	4,747	4,141	7,502 *	5,413	2,825	3,284	16.2
Hides & Skins	7,077	10,398	9,301	10,299	7,719	4,474	2,172	-51.5
Animal Fats	31,453	24,533	16,327	18,423	36,850	16,750	21,695	29.5
Planting Seeds	18,922	21,579	28,999	40,595 *	29,550	7,898	10,136	28.3
Sugars, Sweeteners & Bever. Bases	12,873	4,611	7,346	7,066	6,219	3,318	549	-83.5
Other Intermediate Products	43,984	53,690	81,645	89,940 *	71,272	32,750	36,979	12.9
<b>CONSUMER-ORIENTED TOTAL</b>	173,229	160,753	178,975	217,790	232,210 *	111,214	109,414	-1.6
Snack Foods (Excl. Nuts)	1,996	1,836	1,676	2,211	4,769 *	1,932	5,030	160.4
Breakfast Cereals & Pancake Mix	132	588	434	963	1,841 *	701	481	-31.4
Red Meats, Fresh/Chilled/Frozen	28,315	21,864	17,974	10,277	12,605	5,260	4,548	-13.5
Red Meats, Prepared/Preserved	624	620	401	856	731	311	292	-6.1
Poultry Meat	2,500	3,503	5,938	8,957 *	6,305	1,412	4,673	230.9
Dairy Products	7,562	1,032	1,386	4,419	17,149 *	12,089	1,203	-90.0
Eggs & Products	218	460	577	1,221	3,386 *	2,428	726	-70.1
Fresh Fruit	29,630	30,049	34,722 *	33,044	30,080	19,229	13,722	-28.6
Fresh Vegetables	1,366	3,603	4,181	7,754	5,727	4,322	1,527	-64.7
Processed Fruit & Vegetables	20,797	19,706	26,417	35,968	35,980 *	17,044	18,633	9.3
Fruit & Vegetable Juices	12,979 *	7,091	4,696	4,502	4,387	1,912	8,031	320.0
Tree Nuts	34,644	39,931	43,566	60,486	62,081 *	19,763	19,287	-2.4
Wine and Beer	961	1,741	2,047	5,578 *	5,409	2,583	2,775	7.4
Nursery Products & Cut Flowers	17,084	19,457	22,242	25,815 *	23,198	12,339	14,495	17.5
Pet Foods	3,792	4,735	6,616	7,516	9,769 *	5,074	4,923	-3.0
Other Consumer-Oriented Products	10,628 *	4,537	6,103	8,222	8,793	4,816	9,068	88.3
<b>AGRICULTURAL TOTAL</b>	2,047,133	1,705,894	1,581,628	1,695,841	1,842,589	918,195	903,447	-1.6

Note: (\*) Denotes highest export level since at least 1970.



# Product Spotlight: Breakfast Cereals

*This month, "Product Spotlight" updates a 1991 Agricultural Trade Highlights story that analyzed the successful international expansion of the U.S. breakfast cereal industry. In 1993, U.S. cereal exports are rebounding from sluggish sales last year and are clearly headed for a record high. As U.S. manufacturers continue to extend their product line and open new markets, further growth in foreign shipments is expected, with sales forecast to exceed \$215 million by 1995.*

Advertising and an appetite for varied, healthful breakfast cereals are driving global demand for U.S. breakfast cereals to record highs. Last year, export sales were \$148 million, which is up \$112 million since 1988. In the first six months of 1993, sales are 24 percent ahead of the same period last year. Three-quarters of the export growth during the past five years was to Canada, Mexico, and France. Other growing markets include the Caribbean, the Middle East, and Central America, where new customers are being won over by advertising and a heightened interest in Western foods. Over the long term, good growth prospects include new markets such as Russia and Asia, where currently, breakfast cereals are unfamiliar to many consumers.

The U.S. cereal industry is becoming increasingly competitive in foreign markets by utilizing skills honed in the highly diversified and competitive U.S. domestic market. The major cereal companies rely heavily on marketing cereal line extensions with TV advertising and with the aid of licensing arrangements with the entertainment

industry (e.g. *The Addams Family* movie, the video game *Donkey Kong*). These firms often formulate new products with specific cultural group appeal and they may also serve foreign markets through manufacturing overseas. However, the breakfast cereal export business is not limited to large companies. A growing number of small and medium-size firms, including millers with branded product and private-label repackagers, are successfully exporting breakfast cereals.

Certain trends favor rising overseas purchases of U.S. breakfast cereal. For example, some European markets exhibit higher, and rising, per capita annual cereal consumption rates than the U.S. Other trends include the interest in healthful foods worldwide, burgeoning incomes coupled with liberalization of imports in Mexico and selected Latin American countries, and increasing Westernization of the diet.

## Appeal of Healthful Food Suited to Smaller Firms

An important trend is the rising consumer demand for a wider array of ex-

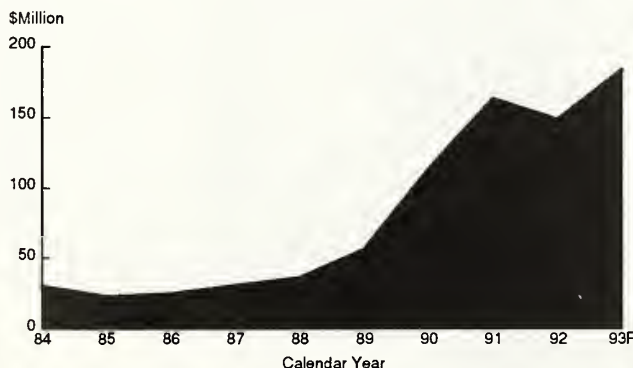
truded and whole grain breakfast cereals with healthful ingredients. These consumers tend to be members of the middle and upper income classes. They shop not only in specialty stores for cereals, but also in supermarkets, where products lauded as "healthful" are increasingly located next to items with added sugar.

The smaller cereal companies are successfully pursuing consumers who are receptive to the health message. Arrowhead Mills has a line of ready-to-eat cereals which contain no additives and are made of organically-grown whole grains. These cereals are receiving increased acceptance in Japan, Canada, Mexico and Saudi Arabia. Another firm, Norganic Foods, reports a rising number of shipments to Australia of Crunchola™, a granola-type cereal. Norganic utilizes an overseas subsidiary to market its product as a cereal that is naturally sweetened and contains neither fat, salts nor preservatives. One of the most unique approaches to generating sales has been employed by Health Best, which makes a naturally sweetened muesli cereal that is sold under the firm's name as well as a private-label. One of their major distribution channels is through Jenny Craig Inc., the weight loss chain, which has numerous sites in Canada and Mexico.

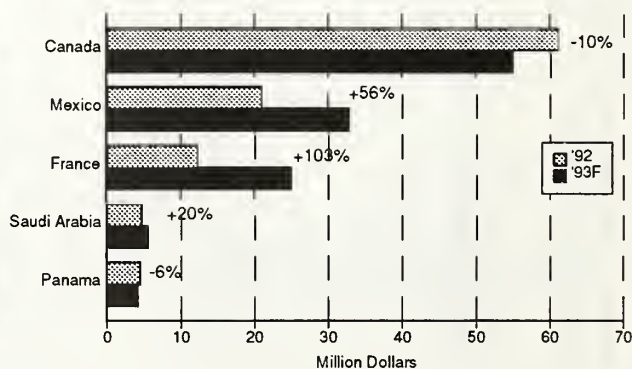
Other tools employed by smaller firms to open up new markets include tie-ins, point-of-purchase displays, and trade show participation. For example, U.S. Mills, which manufactures a line

## U.S. Breakfast Cereal Exports Projected to Reach \$183 Million in 1993

Exports



Top Markets





## ....Breakfast Cereals

of natural cereals under the brand name Erewhon™, emphasizes the organic content of its product through a variety of promotions. In Canada, they employed a joint point-of-purchase display with a soy meal firm which resulted in both companies experiencing growth in sales volume. For sales to Saudi Arabia, they are developing point-of-purchase displays in Arabic. The Japanese distributor for U.S. Mills is an upscale chain specifically interested in organic foods; they undertake a variety of promotions for their product lines, which takes the onus off their U.S. partner.

Cynthia Davis of U.S. Mills offered a tip to other companies lacking the managerial resources to focus on export. She suggests exhibiting at trade shows, and particularly the US Food Export Showcase. This showcase presents a unique display of firms interested in exporting at the annual convention in Chicago. For more information, contact Dewitt Ashby at (202) 296-9680.

### Canada and Mexico are Top Markets

The largest export market for U.S. ready-to-eat cereals is Canada, where sales have tripled since 1989, reaching \$93 million in 1992. Canada is also the market of choice for initiating exports for most small and medium-size cereal producers. Factors which influence purchases in Canada are similar to those in the U.S. Canada is also a coupon (and thus price-competitive) market, with many knock-offs of well known branded products and rising potency of private-label brands.

Export growth to Mexico, the second largest market, has also been impressive -- from less than \$1 million to \$21 million in five years. Sales this year are expected to top \$30 million.

Most of the gain to Mexico can be attributed to declining import tariffs on cereal products and the overall growth of the Mexican economy. Also contributing to the growth is the innovation of market leaders and their efforts to protect market share. A rising number of products which have proven their medal in the U.S. are being launched in Mexico, with strong sales results. For example, Cap'n

Crunch™, a presweetened cereal from the Quaker Oats Co., was offered as a cold cereal alternative to the firm's existing hot cereal choices. With heavy support from TV advertising, it has since become Quaker Oats' best seller in Mexico.

Another nearby market that cannot be overlooked is the Caribbean, with sales at \$9 million and growing about 12 percent annually. Because tourists are the primary consumers of U.S. cereals in the Caribbean, the market will be secure as long as the tourist industry continues to expand. Kraft-RJR Nabisco, one of the leading hot cereal exporters, forecasts a 10-15 percent jump in Caribbean shipments in the coming year.

### Europe: A Mixed Picture

The European market presents both opportunities and threats to U.S. cereal exporters. On the one hand, per capita cereal consumption in some European countries is among the highest in the world. People in Ireland and the United Kingdom consume 15 and 13.3 pounds of breakfast cereal per capita, respectively, compared with 10.3 pounds in the U.S. Moreover, consumption throughout the EC is rising. Consequently, U.S. firms with good market research, sound recipe formulation, a trained sales force and a wide reach can do well.

On the other hand, European firms offer formidable competition to their U.S. counterparts. EC cereal manufacturers account for 67 percent of global trade. The U.S. is second with 19 percent. Firm-level strategy created an even stronger player recently; General Mills and Nestle S.A., working together as Cereal Partners Worldwide (CPW), have achieved gains in Europe that have surpassed the overall growth of this market.

### Hot Markets in Asia

At \$28 million, sales of breakfast cereals to Asia doubled since 1988. Similar to other international markets, the Westernization of diets has fueled the demand for breakfast cereals. FAS analysis indicates rising prosperity will continue to contribute to good prospects in this region despite keen competition from Asian manufactur-

ers. U.S. sales should almost double this year, reaching \$17 million.

Although Asians are not usually milk drinkers, multinational corporations are capitalizing on Asians' willingness to try new tastes, thereby developing the market for the concept of breakfast cereals. Based on rising milk consumption levels, the Ralston Purina Co. built a plant in South Korea to produce Chex™ cereals, and CPW plans to build production facilities in the Philippines. This will limit cereal exports to Asia from the U.S., but smaller companies should find market niches due to rising consumption.

Although Japan is the leading U.S. cereal export market, the U.S. share of this country's imports has eroded since 1989 due almost entirely to large U.S. firms moving overseas. Large firms support their market in Japan with advertising campaigns. TV commercials are designed to attract kids, but are pitched to adults in order to convince parents that milk and cereal, a combination which is unfamiliar to people who previously ate rice and soup for breakfast, is nutritious.

Other Asian markets, particularly Malaysia, Singapore, and Philippines, are becoming more important. Although each is currently at the \$1 million mark in U.S. export sales, they are just the foothold of the U.S.' potential power in the Pacific Rim. Recognizing the potential of new Asian markets, Kellogg announced its intention to introduce product into India and China.

### The New Horizon

According to industry reports, interest from newer markets in Eastern Europe and the former USSR suggests good opportunities in the long run. There is an emerging class of Russian consumers eager to try new tastes from the West. Breakfast cereal is not manufactured there even though milk is a large part of Russians' diet. Consequently, Russian brokers have contacted U.S. firms, including Health Best, a specialty cereal producer in the U.S., regarding import opportunities. And Kellogg has recently announced plans to open markets in Latvia.

*For more information, contact Diane Dolinsky at (202) 720-6821.*



# Agriculture's 1992 Trade Balance Ranked Second Among Eleven Major U.S. Industries...

*Agriculture continues its unbroken 30-year record of trade surpluses. In 1992, agriculture was the second largest positive contributor to the total U.S. merchandise trade balance with a surplus of \$18.2 billion, and was one of only five industries to show up in the plus column. With 1993 agricultural exports expected to rise in line with imports, FAS projects agriculture's trade surplus to remain unchanged and continue as a bright spot in the nation's balance of trade picture.*

For several years, the Foreign Agricultural Service (FAS) has tracked and reported on the trade performance of 11 major U.S. industries. In 1992, agriculture recorded a trade surplus of \$18.2 billion. This placed agriculture behind top-ranked aircraft/ships/trains (\$29.7 billion) and slightly ahead of chemicals (\$16.8 billion). Industrial machinery and wood/pulp/paper were the only other industries that achieved trade surpluses. The industries that continued to record the largest trade deficits were mineral fuels and products (-\$42.8 billion), road vehicles (-\$40.2 billion) and textiles/apparel (-\$28.8 billion).

Due to its recent performance, agriculture moved up one notch in the trade balance ranking to second place in 1992, due to a weakening in the trade surplus for previously second-ranked chemicals (down \$2.4 billion) and a gain in the agricultural surplus. In 1992, agriculture's net positive contri-

bution to the U.S. trade balance rose \$1.7 billion, while the non-agricultural portion of the trade balance deteriorated by \$15.6 billion to minus \$114.3 billion.

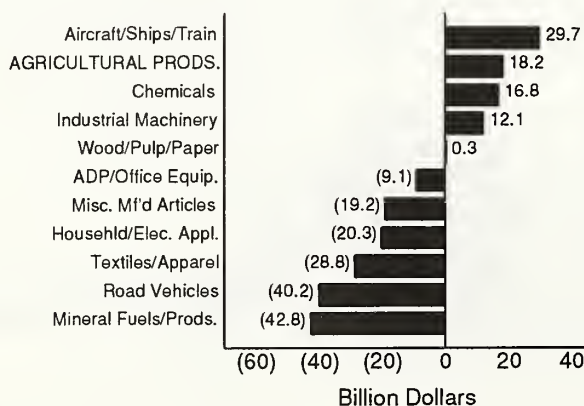
In 1992, total U.S. merchandise exports rose 7 percent to \$428 billion. Five industries accounted for more than half of these shipments, with industrial machinery clearly in the lead at \$56 billion. All 11 industries recorded sales gains from the previous year. Agricultural exports rose to \$42.8 billion, up \$3.7 billion from 1991. Agriculture, maintaining its rank as the fifth largest export industry, accounted for 10 percent of total U.S. merchandise exports. Of the four industries ranked ahead of agriculture in export value, only industrial machinery and chemicals registered any trade surpluses.

Turning to the other half of the equation, total U.S. merchandise imports

reached \$499.5 billion, up 9 percent from 1991. Road vehicle imports were clearly in the lead at \$76.8 billion, but imports of household/electrical appliances and miscellaneous manufactured articles were also significant at \$63.5 billion and \$63.1 billion, respectively. In 1992, all industries recorded higher imports with the exception of mineral fuels and products, and aircraft/ships/trains. Agricultural imports rose to \$24.6 billion, up \$2 billion from 1991. Of the 11 industries, agriculture remained the third smallest import industry, accounting for only 5 percent of total U.S. merchandise imports.

The total U.S. merchandise trade deficit stood at \$96 billion in 1992. Without agriculture, this figure would have risen to \$114.2 billion. While a relatively open import regime and rising consumer demand for imported foods is fueling the long-term growth in imports, agricultural export gains are expected to continue outpacing the growth in imports. Led by aggressive export promotion activities, a competitively-priced U.S. dollar and improved access to certain foreign markets, agriculture should continue as a positive force for the nation's trade account well into the next century.

## Agriculture is Second Largest Contributor to U.S. Merchandise Trade Balance

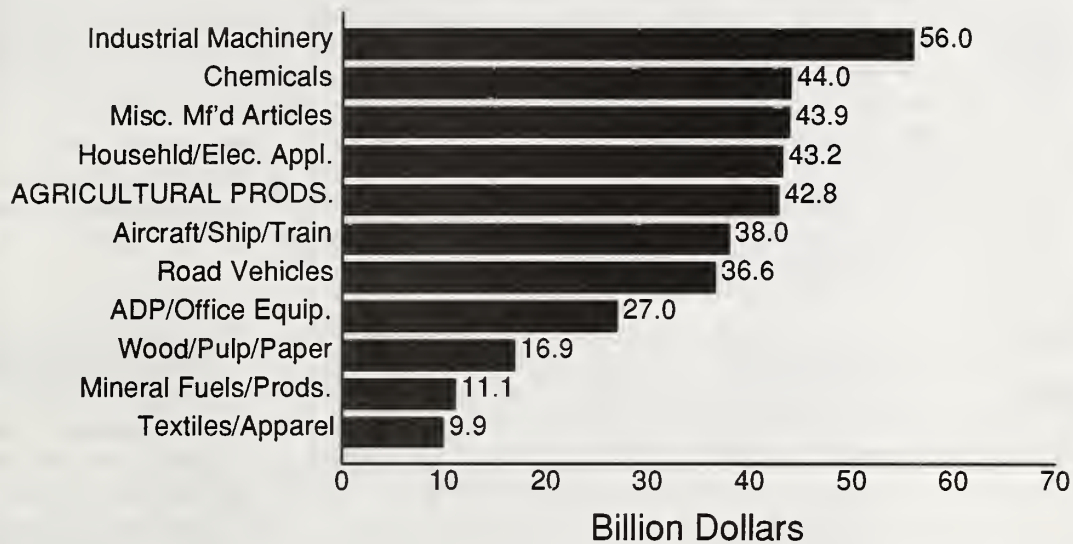


For more information, contact Ernest Carter at (202)720-2922

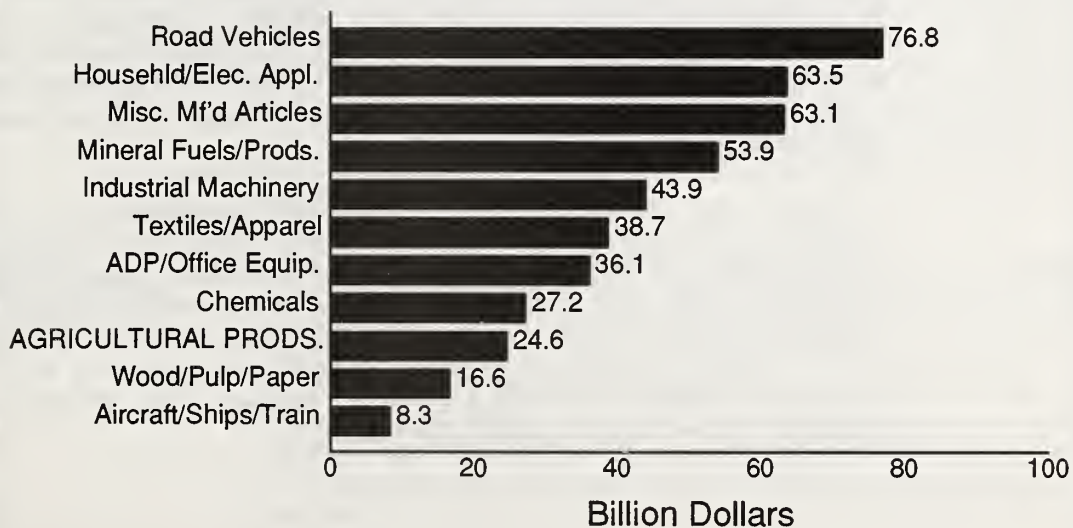


## ...Trade Balance

### U.S. Agricultural Exports Rank 5th in 1992



### U.S. Agricultural Imports Rank 9th in 1992





# Trade Policy Updates

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## **EC "Jumbo Council" To Be Held On September 20**

According to a Belgian spokesman for the EC presidency, the French-proposed Jumbo-Council (Foreign Affairs and Agriculture Ministers) will be held on September 20. On that day, the EC Agriculture Council is scheduled to discuss both the Blair House and the corn gluten feed issues. While other Member States had been arguing for the Jumbo Council to be held in October, the French had been pushing for the September date in an effort to link the Uruguay Round with the corn gluten feed issue.

## **Potato Imports By Israel Not Likely In The Near Future**

Ya'akov Tsur, Israel's Minister of Agriculture, reiterated that no import licenses for french fries would be granted to McDonald's or anyone else. This position comes at a time when McDonald's needs to import approximately 500 tons of product to bridge the gap between the planned opening of its first restaurant and the beginning production of a new potato processing plant (being constructed with the assistance of McDonald's advisors). Furthermore, in an ad hoc statement to the press, Minister Tsur said no importation of food and agricultural products will be allowed unless the product: (1) is not available in Israel; or (2) is a normally available product temporarily unavailable; or (3) is subject to the specific terms of a bilateral trade agreement.

## **Colombia Ban On U.S. Poultry Imports Removed**

The government of Colombia (GOC) recently lifted its import ban on U.S. poultry and poultry products. The ban originally imposed on March 9, 1993, due to an isolated case of non-pathogenic avian influenza (AI) in the United States, was rescinded on July 26. Furthermore, a recently imposed annual inspection and certification requirement, which effectively prohibited all meat and poultry meat imports into Colombia, was temporarily reversed. As a result, meat, poultry meat, poultry breeder stock and eggs can now enter the Colombian market without undue trade restrictions. These developments appear to be in response to USDA requests presented at the June 30, 1993, Trade and Investment Council meeting in Bogota and to the visit to the United States of Colombian veterinarians to assess the AI situation.

## **Honduras Allows Entry Of U.S. Poultry Parts**

Banasupro, a government chain of retail stores, recently purchased one container of U.S. poultry parts without a sanitary permit issued by the Honduran Ministry of Natural Resources. U.S. poultry parts have been prohibited from entering Honduras for the past year in a regional attempt to protect domestic poultry producers. The Honduran Vice Minister of Agriculture acknowledged that market access for chicken parts is a key factor in whether the GOH is allowed to join the GATT. In light of Honduras' GATT accession negotiations, it appears that the GOH has weakened its resolve and is leaning toward adopting a GATT-consistent measure to protect its poultry industry.

## **Japan's New AG Minister: Still No To Rice**

In a Tokyo press interview on August 10, Ag Minister Hata indicated that a closed rice market is not incompatible with a successful Uruguay Round. Hata said "the key to a successful Uruguay Round will be fairness. It is absurd that only Japan is regarded as a problematical country when in fact there still exist variable surcharges and export subsidies in Europe and the U.S. There is a misunderstanding in some countries that the liberalization of rice would instantly mean success of the Round. But a success of the Round and the rice issue ought to be considered separately. Standing on that perception, we must make efforts for reaching an agreement of the Round."



# Market Updates

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## **Mexico Proposes To Ease Phytosanitary Restrictions On U.S. Table Grapes**

On August 18, Mexican plant health authorities proposed new phytosanitary requirements that would allow California table grapes to enter Mexico. All of California, except counties where certain pests have been found and the area within 100 kilometers of Los Angeles, would be eligible to ship table grapes to Mexico. Product would have to be accompanied by a phytosanitary certificate, and would be inspected by Mexican authorities at the port of entry. As a condition for entry, Mexico would require that trapping for medfly and other pests be intensified in four California counties.

## **Philippine Congressman Seeks Ban On Imported Fries**

A key member of the Philippine Congress is reportedly working to ban imports of frozen french fries, arguing that domestically produced potatoes should be used. The initiative comes despite the already high level of protection afforded the Philippine potato sector, which includes a ban on fresh potato imports and a 45 percent ad valorem import duty on frozen processed potato products. In response to the expanding needs of the fast food sector, U.S. exports of frozen french fries to the Philippines have risen from zero in 1986 to reach \$3.3 million in 1992, with the United States accounting for a reported 95 percent market share. U.S. industry sources point to a combination of factors (climate, pests, diseases, and technology) as limiting the Philippines' ability to produce a russet variety potato suitable for french fries and other processing.

## **Jamaica Removes Duty On PL-480 Rice**

The Government of Jamaica recently removed a 15-percent import duty on imports of PL-480 rice. This action met the U.S. Government's new eligibility criterion that recipient countries may not impose a duty on PL-480 imports. However, commercial rice imports are subject to a 30 percent CARICOM common external tariff, which continues to be an issue between Jamaica and the United States.

## **Northwest Apple Industry To Pursue Section 301 Action Against Japan**

In an August 2 press release, the Northwest Horticultural Council (NHC) announced its intention to proceed with the preparation of a Section 301 complaint against Japan's import ban on U.S. apples. Key trade sources suggested the NHC, which represents the tree fruit industry in Washington State, Oregon, and Idaho, may be prepared to present its petition to the Office of the U.S. Trade Representative (USTR) for consideration as early as September. Following more than a decade of concerted effort by the United States to address Japan's evolving plant quarantine concerns, the Northwest industry, which accounts for the bulk of U.S. apple exports, concluded that Japan's restrictions constitute a non-tariff trade barrier. This would be the first section 301 complaint brought against a phytosanitary barrier. In a joint July 29 letter to Japan's Minister of Agriculture, Secretary Espy and USTR Ambassador Kantor requested the Government of Japan's commitment to an action plan that would ensure 1994 crop apples would be permitted entry into Japan. A positive response on the part of Japan to the U.S. request could lead the industry to defer pursuing a remedy under Section 301.

## **Japan Fishing Companies Struggle To Stay Afloat**

Large Japanese fishing companies are finding new ways to diversify their troubled off-shore operations by shifting more towards seafood imports and value-added processing and distribution. Faced with closure of many of their traditional international fishing grounds, companies are phasing out distant harvest activities, scraping trawlers, and laying off crews. Some of these same companies are investing heavily in the United States and other harvest/processing countries (e.g., Russia) to secure long-term, stable raw product supplies. These companies are also applying their expertise to the development of value-added products which have increased price stability and improved market share. This trend may have positive long-term implications for U.S. seafood suppliers who, in general, specialize in supplying less processed forms of marine-sourced products.

## ...Market Updates

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### **Japanese Officials Ask Traders To Limit Beef Imports**

According to Japanese press reports, Mr. Katsurhiro Obata, Director, Meat and Egg Division, of Japan's Ministry of Agriculture Forestry, and Fisheries, met with the top 34 Japanese beef importers and asked that they "refrain from excessive imports." Record imports and low dairy beef prices in Japan sparked the government action. U.S. officials are voicing strong opposition to any actions that are counter to the more open Japanese beef market created by the 1988 U.S.-Japan Beef and Citrus Agreement. With the liberalization of the Japanese beef market since 1988, such attempts by the Japanese government to provide "administrative guidance" to importers have been ineffectual in limiting imports.

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### **Indonesia May Buy Needed Corn From United States**

Indonesia may purchase as much as 350,000 tons of corn in the next several weeks to relieve pressure on local corn prices. Prices have risen because bad weather cut local supplies. Indonesia's Logistics Agency (BULOG) reportedly is considering purchasing U.S. corn, currently priced at \$20/ton above Chinese corn, because of concerns about aflatoxin in Chinese corn. GSM-102 would be needed to support such purchases. In recent years, Indonesia has imported an average of 130,000 tons of corn annually from China, Thailand, and other Asian suppliers. No U.S. corn has been imported since 1987.

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### **Saudi Arabia Closes Door To Imports Of Wheat And Barley Seed**

The Agricultural Trade Office, Riyadh, Saudi Arabia, reports that wheat and barley seed imports will be curtailed immediately. For the past several years, the Saudi Government has hoped to replace subsidized wheat acreage with barley which is subsidized at a much lower rate. This import restriction not only accomplishes that goal but also reduces the reliance on foreign suppliers for seeds. By relying on domestic multiplication and farm-saved seed, Saudi Arabia risks reduced yields and disease resistance for both its wheat and barley crops. Saudi Arabia accounts for more than 90 percent of U.S. wheat seed exports, which peaked at \$57 million in the 1991/92 July-June marketing year (MY). The loss of this market could signal the first reduction in total U.S. planting seed exports by value since MY 1971/72.



# U.S. Agricultural Exports by Commodity Type

Calendar Years 1988 to 1992 and Year-to-Date Comparisons

(thousands of dollars)

Product	1988	1989	1990	1991	1992	January-June 1992	1993	% Chg
<b>BULK COMMODITY TOTAL</b>	20,340,369	22,813,257	20,232,083	18,348,386	19,687,248	10,023,964	9,826,651	-2.0
Wheat	4,890,724	5,886,505	3,839,037	3,292,138	4,449,324	2,128,324	2,435,124	14.4
Coarse Grains	5,891,340	7,738,137	7,036,717	5,722,597	5,736,599	2,876,915	2,580,547	-10.3
Rice	803,764	971,123	801,527	753,557	726,072	348,242	383,256	10.1
Soybeans	4,890,661	3,942,468	3,549,508	3,956,443	4,380,402	2,075,910	2,443,852	17.7
Cotton	1,992,007	2,268,501	2,798,495	2,491,999	2,010,338	1,355,085	884,072	-34.8
Tobacco	1,252,772	1,301,173	1,441,116	1,427,631	1,650,559 *	907,115	757,767	-16.5
Pulses	240,667	298,404	353,111	268,414	191,656	91,006	97,245	6.9
Peanuts	155,518	192,670	203,373	180,304	240,308	107,563	102,075	-5.1
Other Bulk Commodities	222,916	214,275	209,199	255,304	301,989	133,803	142,714	6.7
<b>INTERMEDIATE TOTAL</b>	9,012,700	8,645,875	8,573,907	8,789,224	9,231,134 *	4,595,856	4,529,305	-1.4
Wheat Flour	192,737	257,937	182,956	184,256	184,317	92,511	128,410	38.8
Soybean Meal	1,579,032	1,212,295	1,005,103	1,155,307	1,294,722	657,882	631,790	-4.0
Soybean Oil	476,970	358,723	312,930	222,126	376,202	173,050	168,977	-2.4
Other Vegetable Oils	428,943	423,994	394,790	418,144	502,732	263,152	264,904	0.7
Feeds & Fodders (Excl Pet Foods)	1,629,983	1,596,995	1,572,369	1,605,732	1,722,327 *	896,493	889,833	-0.7
Live Animals	606,201	490,501	513,783	686,563 *	607,891	285,770	203,714	-28.7
Hides & Skins	1,826,493 *	1,696,164	1,729,731	1,357,570	1,326,054	684,004	646,485	-5.5
Animal Fats	559,145	510,153	428,729	426,824	515,214	233,604	244,107	4.5
Planting Seeds	423,528	510,214	588,723	671,655	675,011 *	315,684	331,509	5.0
Sugars, Sweeteners, & Beverage Bases	289,637	409,198	572,052	634,101	573,921	271,358	259,884	-4.2
Other Intermediate Products	1,000,030	1,179,702	1,272,743	1,426,946	1,452,744 *	722,348	759,695	5.2
<b>CONSUMER - ORIENTED TOTAL</b>	7,741,635	8,379,789	10,465,615	11,967,920	13,895,994 *	6,686,258	7,083,475	5.9
Snack Foods (Excl. Nuts)	282,234	364,429	530,125	633,040	829,679 *	366,225	451,134	23.2
Breakfast Cereals & Pancake Mix	59,069	91,881	157,882	216,802	219,762 *	97,040	123,994	27.8
Red Meats, Fresh/Chilled/Frozen	1,852,839	2,213,602	2,394,495	2,660,267	3,112,361 *	1,504,002	1,516,524	0.8
Red Meats, Prepared/Preserved	118,679	100,638	135,998	165,101	181,562 *	82,176	95,171	15.8
Poultry Meat	458,117	509,426	672,888	817,913	928,464 *	424,899	470,490	10.7
Dairy Products	578,281	430,741	328,053	462,956	793,754 *	346,804	396,687	14.4
Eggs & Products	117,193	90,685	101,979	143,367	139,234	68,418	66,203	-3.2
Fresh Fruit	1,093,196	1,134,657	1,486,489	1,561,053	1,683,344 *	899,182	813,439	-9.5
Fresh Vegetables	319,584	356,015	728,648	832,935	899,624 *	515,752	577,965	12.1
Processed Fruit & Vegetables	855,922	1,003,616	1,246,753	1,394,490	1,558,121 *	737,648	772,111	4.7
Fruit & Vegetable Juices	271,030	291,248	375,497	385,414	461,017 *	253,759	246,517	-2.9
Tree Nuts	751,201	683,332	801,120	867,704	928,531 *	362,990	367,399	1.2
Wine and Beer	151,763	206,095	266,202	315,756	369,181 *	181,790	184,520	1.5
Nursery Products & Cut Flowers	83,797	104,887	186,741	201,442 *	201,321	117,884	119,992	1.8
Pet Foods	133,563	175,539	244,038	329,772	399,630 *	185,565	235,279	26.8
Other Consumer - Oriented Products	615,166	622,997	808,706	979,907	1,190,410 *	542,124	646,049	19.2
<b>AGRICULTURAL TOTAL</b>	37,094,704	39,838,921	39,271,605	39,105,530	42,814,376	21,306,078	21,439,431	0.6

Note: (\*) Highest export level since at least 1970.

# U.S. Agricultural Exports by Major Commodity Group

## Monthly and Annual Performance Indicators

Export Values	June			October – June			Fiscal Year		
	1992	1993		1991/92	1992/93		1992	1993(f)	
	– \$Billion –		Change	– \$Billion –		Change	– \$Billion –		Change
Grains and Feeds 1/	1.089	0.984	–10%	10.695	11.211	5%	14.095	14.2	1%
Wheat & Flour	0.288	0.328	14%	3.365	3.859	15%	4.482	4.8	7%
Rice	0.049	0.069	40%	0.585	0.589	1%	0.758	0.7	–8%
Feed Grains 2/	0.476	0.310	–35%	4.305	4.087	–5%	5.659	5.3	–6%
Corn	0.435	0.287	–34%	3.403	3.379	–1%	4.593	4.5	–2%
Feeds & Fodders	0.188	0.171	–9%	1.588	1.675	6%	2.077	2.2	6%
Oilseeds and Products	0.402	0.430	7%	5.801	6.182	7%	7.338	7.5	2%
Soybeans	0.172	0.249	45%	3.504	3.941	12%	4.311	4.5	4%
Soybean Cakes & Meals	0.089	0.062	–30%	1.041	0.976	–6%	1.334	1.2	–10%
Soybean Oil	0.029	0.018	–39%	0.244	0.260	7%	0.356	0.4	12%
Other Vegetable Oils	0.051	0.036	–29%	0.366	0.380	4%	0.491	NA	NA
Livestock Products	0.491	0.527	7%	4.442	4.442	0%	5.973	6.0	0%
Red Meats	0.254	0.301	18%	2.145	2.282	6%	2.935	3.0	2%
Hides & Skins	0.113	0.105	–8%	0.979	0.951	–3%	1.317	1.3	–1%
Poultry Products	0.099	0.103	5%	0.898	0.957	7%	1.195	1.3	9%
Poultry Meat	0.074	0.076	3%	0.665	0.715	8%	0.887	NA	NA
Dairy Products	0.067	0.058	–15%	0.526	0.653	24%	0.733	0.9	23%
Horticultural Products	0.617	0.625	1%	5.237	5.402	3%	6.844	7.0	2%
Unmanufactured Tobacco	0.137	0.137	0%	1.282	1.215	–5%	1.568	1.6	2%
Cotton and Linters	0.171	0.112	–34%	1.921	1.265	–34%	2.195	1.7	–23%
Planting Seeds	0.021	0.022	4%	0.534	0.558	4%	0.667	0.7	5%
Sugar & Tropical Products	0.129	0.132	2%	1.277	1.360	7%	1.706	1.7	–0%
Forest Products 4/	0.584	0.651	11%	4.994	5.610	12%	6.761	NA	NA
<b>Total Agriculture</b>	<b>3.222</b>	<b>3.130</b>	<b>–3%</b>	<b>32.613</b>	<b>33.246</b>	<b>2%</b>	<b>42.314</b>	<b>42.5</b>	<b>0%</b>

Export Volumes	– – MMT – –			Change	– – MMT – –			Change	– – MMT – –			Change
Grains and Feeds 1/	7.660	6.811	–11%		76.947	81.788	6%		NA	NA	NA	
Wheat	2.043	2.338	14%		26.518	27.680	4%		34.289	35.5	4%	
Wheat Flour	0.064	0.086	35%		0.604	0.888	47%		0.808	1.0	24%	
Rice	0.154	0.275	79%		1.751	2.001	14%		2.281	2.4	5%	
Feed Grains 2/	4.099	3.045	–26%		37.534	40.392	8%		50.195	53.3	6%	
Corn	3.753	2.827	–25%		29.533	33.418	13%		40.597	44.5	10%	
Feeds & Fodders	1.141	0.878	–23%		9.020	9.080	1%		11.711	12.3	5%	
Oilseeds and Products	1.428	1.634	14%		23.040	25.276	10%		28.881	29.8	3%	
Soybeans	0.742	1.072	44%		15.659	17.750	13%		19.247	20.3	5%	
Soybean Cakes & Meals	0.416	0.309	–26%		4.900	4.861	–1%		6.301	6.0	–5%	
Soybean Oil	0.059	0.034	–42%		0.515	0.519	1%		0.747	0.7	–6%	
Other Vegetable Oils	0.082	0.060	–27%		0.570	0.643	13%		0.782	NA	NA	
Livestock Products 3/	0.221	0.246	11%		2.034	2.146	6%		2.770	NA	NA	
Red Meats	0.073	0.088	19%		0.644	0.676	5%		0.870	0.9	3%	
Poultry Products 3/	0.067	0.074	10%		0.606	0.723	19%		0.821	NA	NA	
Poultry Meat	0.065	0.071	9%		0.581	0.695	20%		0.787	0.9	14%	
Dairy Products 3/	0.031	0.028	–10%		0.288	0.352	22%		0.399	NA	NA	
Horticultural Products 3/	0.573	0.579	1%		4.605	4.615	0%		5.951	6.1	3%	
Unmanufactured Tobacco	0.021	0.019	–7%		0.202	0.197	–3%		0.246	NA	NA	
Cotton & Linters	0.127	0.086	–33%		1.319	0.956	–28%		1.527	1.4	–8%	
Planting Seeds	0.011	0.022	103%		0.549	0.495	–10%		0.705	NA	NA	
Sugar & Tropical Products 3/	0.081	0.073	–11%		0.816	0.674	–17%		1.102	NA	NA	
<b>Total Agriculture 3/</b>	<b>10.22</b>	<b>9.57</b>	<b>–6%</b>		<b>110.41</b>	<b>117.22</b>	<b>6%</b>		<b>143.64</b>	<b>150.0</b>	<b>4%</b>	

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Wood products are not included in agricultural product value totals.

Note: FY 1993 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published on May 27, 1993.



**U.S. Agricultural Export Value by Region**  
**Monthly and Annual Performance Indicators**

	June			October-June			Fiscal Year		
	1992	1993	Change	1991/92	1992/93	Change	1992	1993(f)	Change
	-\$Billion-			-\$Billion-			-\$Billion-		
Western Europe	0.421	0.381	-10%	6.317	6.276	-1%	7.726	8.1	5%
European Community	0.390	0.350	-10%	5.903	5.916	0%	7.183	7.6	6%
Other Western Europe	0.031	0.031	-1%	0.414	0.360	-13%	0.543	0.5	-8%
Eastern Europe	0.017	0.025	47%	0.150	0.391	160%	0.221	0.5	126%
Former Soviet Union	0.181	0.090	-51%	2.196	1.210	-45%	2.640	1.9	-28%
Asia	1.252	1.234	-1%	12.358	12.105	-2%	15.989	15.5	-3%
Japan	0.723	0.724	0%	6.427	6.377	-1%	8.364	8.1	-3%
China	0.056	0.033	-40%	0.644	0.288	-55%	0.690	0.4	-42%
Other East Asia	0.358	0.366	2%	3.791	3.739	-1%	4.929	4.9	-1%
Taiwan	0.122	0.134	10%	1.505	1.499	-0%	1.913	1.9	-1%
South Korea	0.171	0.160	-6%	1.660	1.559	-6%	2.200	2.1	-5%
Hong Kong	0.065	0.072	10%	0.625	0.669	7%	0.816	0.9	10%
Other Asia	0.116	0.110	-5%	1.496	1.701	14%	2.005	2.1	5%
Pakistan	0.001	0.000	-64%	0.155	0.171	10%	0.226	0.2	-12%
Philippines	0.031	0.027	-11%	0.312	0.403	29%	0.442	0.5	13%
Middle East	0.132	0.125	-6%	1.251	1.445	15%	1.717	1.9	11%
Israel	0.026	0.015	-44%	0.261	0.266	2%	0.342	0.3	-12%
Saudi Arabia	0.031	0.031	-1%	0.378	0.347	-8%	0.506	0.4	-21%
Africa	0.190	0.178	-6%	1.450	2.104	45%	2.201	2.5	14%
North Africa	0.107	0.132	23%	0.970	1.279	32%	1.312	1.6	22%
Egypt	0.037	0.058	55%	0.513	0.577	12%	0.709	0.7	-1%
Algeria	0.051	0.039	-24%	0.318	0.349	10%	0.382	0.5	31%
Sub-Saharan Africa	0.083	0.046	-45%	0.480	0.826	72%	0.889	0.9	1%
Latin America	0.526	0.566	8%	4.794	5.161	8%	6.384	6.7	5%
Mexico	0.287	0.324	13%	2.761	2.773	0%	3.653	4.0	9%
Other Latin America	0.239	0.242	1%	2.033	2.388	17%	2.731	2.7	-1%
Brazil	0.006	0.011	77%	0.127	0.180	42%	0.143	0.2	40%
Venezuela	0.048	0.027	-43%	0.280	0.393	40%	0.393	0.4	2%
Canada	0.448	0.485	8%	3.607	3.944	9%	4.804	5.0	4%
Oceania	0.029	0.035	21%	0.322	0.324	1%	0.424	0.4	-6%
World Total	3.222	3.130	-3%	32.614	33.246	2%	42.314	42.5	0%

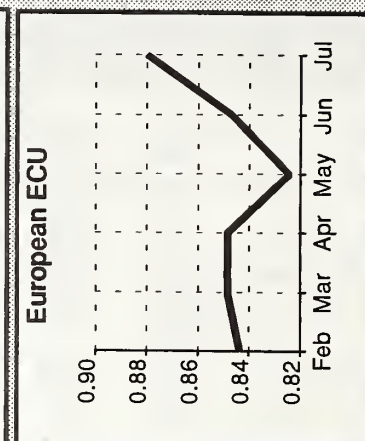
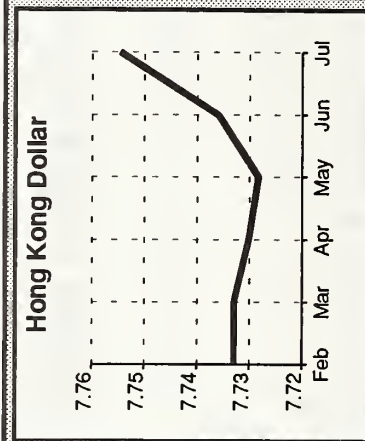
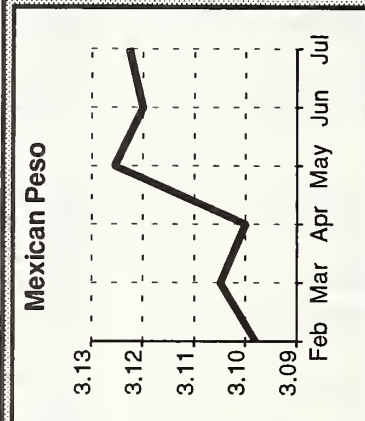
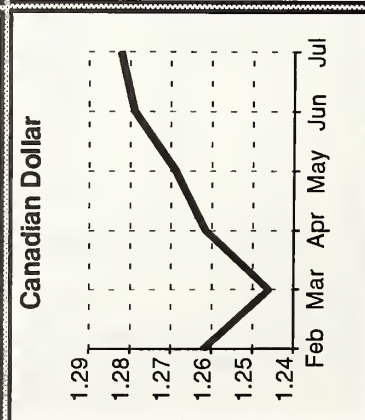
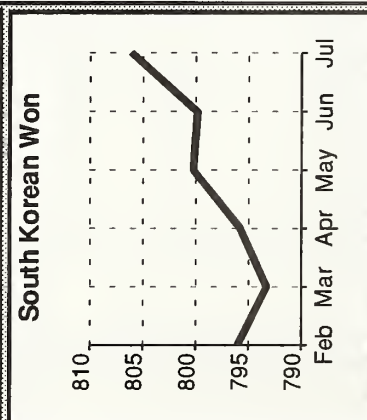
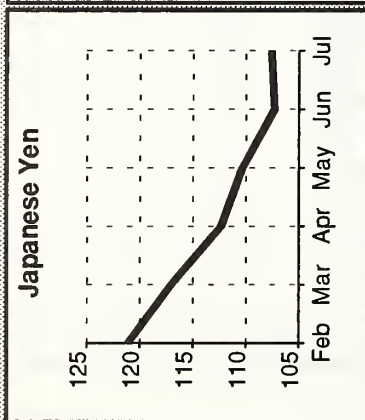
*Note: FY 1993 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published on May 27, 1993.*



# Exchange Rate Movements Of Major World Currencies Vis-a-Vis U.S. Dollar -- Daily Spot Quotations & Monthly Averages

Currencies	Current Rate 8/17/93	Month Ago 7/16/93	Year Ago 8/92	% Change Year Ago 8/92
Japanese Yen	101.13	107.65	126.24	-19.89
South Korean Won	810.50	807.40	790.28	2.56
Canadian Dollar	1.26	1.25	1.24	11.17
Mexican Peso	3.11	3.13	3.09	29.43
Hong Kong Dollar	7.7525	7.7560	4.944	20.45
European ECU	0.84	0.84	0.82	16.26
British Pound	1.6933	1.7170	1.4565	
-French Franc				
-West German Mark				
Argentine Peso	.99	.99	.99	0.00
Australian Dollar	1.4859	1.4717	1.3883	7.03
Brazilian Cruzeiro real	79.43	60.27	44.93	76.79
Canadain Dollar	1.3144	1.2783	1.1963	9.87

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, August 17, 1993.  
Source: TEID/ITP/FAS Exchange Rate Database and Wall Street Journal.





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*Agricultural Trade Highlights* staff includes:

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